



To Alex Deshuk, Manager of Technology & Innovation *APD*
Through Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator *MB*
 Edward Quedens, MPA, CPPO, C P.M., Business Services Director *EQ*
From Pamela Chavez, Management Assistant II
Date November 18, 2014
Subject Three--Year Term Contract for Reverse Auction Services as Requested by
 the Business Services Department (**Citywide**)

Purpose and Recommendation

Please approve the Term Contract for Reverse Auction Services as recommended. An evaluation team representing Business Services (Melissa Jones) and Purchasing (Matt Bauer, Darryl Woodson, and Sharon Brause) evaluated responses

The team recommends awarding the contract to the highest scoring proposal from Electronic Auction Services, Inc

Background & Discussion

This contract will provide managed reverse auction services to the City to use at its discretion. The Contractor will provide the necessary staff, services and associated resources to provide the City with the services and obligations per the Agreement pursuant to Solicitation #2015011, including Exhibits A, B and C (see attached)

Staff from the Business Services and Purchasing evaluated the two Proposals responses received based on the Request for Proposals' Evaluation Methodology:

- Round 1 – Responsiveness and qualifying requirements
- Round 2 – Evaluation and scoring of proposal, demonstrations, reference checks, clarifications
- Round 3 – Best and Final Offers from respondents deemed susceptible for award, if necessary
- Final Scoring

Round 1 Each response was given an initial review by the evaluation team to determine whether it met the minimum requirements to be considered. Both vendors met the minimum requirements and were moved forward to Round 2.

Round 2 Each response was evaluated by the evaluation team relative to the scoring criteria in the solicitation. The evaluation included Review of the proposals submitted, Presentations, and Clarification by the respondents.

Round 3 Best and Final Offers were not requested by the evaluation team. However, exclusive negotiations were conducted with EASi whose response was determined in the selection process to be most advantageous to the City. The negotiations consisted of price restructuring to allow the City a rebate back to City of Mesa on collected fees received by

EASi on cooperative use of the awarded contract, and restructure in % commission transaction fee paid to EASi.

Final Scoring: The evaluation team completed scoring of the responses against the scoring criteria in the solicitation. Scoring of the pricing was completed by Kristy Garcia, using the pricing formula in the solicitation.

The highest scored proposal, Electronic Auction Services, Inc. (EASI), is being recommended for award. The evaluation committee unanimously agreed on the recommendation.

Alternatives

Management may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

There are no direct fees to the City and no one-time start up fees as this is an awarded vendor transaction fee model. Contractor agrees to furnish Reverse Auction Services to the City of Mesa at the fees stated in Exhibit B.

The % Commission is charged by Contractor to the City's successful bidders. Contractor must bill supplier(s) based on actual usage throughout contract on a monthly invoice

Coordinated With

Business Services and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Request for Proposals

Solicitation Number: 2015011

Vendors Registered: ProcureAZ (28) and Vendor Self Service (5)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Downloads: 20

Responses: 2

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Two, one-year renewals subject to management consideration

Pricing Available to Other Cooperative Agencies: Yes

Proposals received on September 29, 2014:

Electronic Auction Services, Inc. (EASI) - Hudson, OH

Sorcity.com - Dallas, TX

Proposal Scoring Results:

Evaluation Criteria / Points Possible	Electronic Auction Services, Inc.	Sorcity.com, Inc.
Firm's Qualifications & Experience / 40	41.33	30
Qualifications & Experience / 35	35	27
Fees / 20	5.21	20
Total / 100	<u>81.54</u>	77

Revised Scoring after Demonstrations:

Evaluation Criteria / Points Possible	Electronic Auction Services, Inc.	Sorcity.com, Inc.
Firm's Proposed Solution / 45	42	29
Qualifications & Experience / 35	35	27
Fees / 20	5.21	20
Total / 100	<u>82.21</u>	76

AWARD RECOMMENDATION
Electronic Auction Services, Inc. (EASI)
Hudson, OH

Description
<p>Reverse Auction Services per City of Mesa Contract No. 2015011 Terms and Conditions, Exhibits A – Scope of Work, Exhibit B – Pricing*, and Exhibit C – Mesa Terms and Conditions</p> <p>*There are no direct fees to the City and no one-time start up fees as this is an awarded vendor transaction fee model. The % Commission is charged by Contractor to the City's successful bidder(s) Contractor must bill supplier(s) based on actual usage throughout contract on a monthly invoice.</p> <p><u>Vendor Transaction Fee (%)</u> \$0 - \$25,000 at 3% Over \$25,000 at 1 5%</p> <p><u>Not to exceed fee per Contract (regardless of number of vendors awarded)</u> \$30,000 cap for initial term and resets for any renewals or extension</p> <p><u>COOP or Piggyback usage (regardless of number of vendors awarded)</u> \$30,000 cap for initial term and resets for any renewals or extension</p>